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MINUTES

The Town of Manteo Board of Commissioners held their Recessed May 19, 2021 meeting at 5:00 p.m. at 407 Budleigh Street, Manteo, NC and via teleconference.

The following members were present:

- Mayor Bobby Owens
- Mayor Pro-Tem Betty Selby
- Commissioner Darrell Collins
- Commissioner Christine Walker
- Commissioner Jason Borland
- Commissioner Eddie Mann

The following members were absent: Commissioner Richie Burke

Also present at the meeting were:

- Town Manager James Ayers
- Town Attorney Ben Gallop
- IT Director Carl Woody
- Town Planner Melissa Dickerson
- Town Clerk Jamie Whitley

Mayor Bobby Owens called the meeting to order at 5:00 p.m. Town Manager Ayers did a roll call verifying that there was a quorum: Mayor Owens-present; Mayor Pro-Tem Selby-present; Commissioner Collins-present; Commissioner Walker-present; Commissioner Borland-present; and Commission Mann-present. Commissioner Burke-absent. A quorum was established.

SUBJECT: Adoption of Agenda as presented or amended

MOTION: A motion was made by Commissioner Borland and seconded by Commissioner Walker to approve the agenda with the amendment to add Resolution 2021-04 to Old Business and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

PRESENTATIONS & REPORTS

SUBJECT: Proclamation for Patty Callum

This proclamation recognizes and honors Patty Callum for her service with the Manteo Post Office for 38 year. Ms. Patty gave a speech and thanked the Town of Manteo for the honor.

SUBJECT: NCLM - Police Department Presentation - Matthew Selves

The North Carolina League of Municipalities honored the Manteo Police Department for their completion of the Law Enforcement Risk Management Review. The award was accepted by Chief Vance Haskett, Lieutenant Brad Eilert and Administrative Assistant Kelly Burton.

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SUBJECT: Department Head Reports

The Department Head written reports were given to the Board and are available on our website at manteonc.gov for the general public to review. The newest video from the *Manteo Minute Series* was shown to the Board.

PUBLIC HEARING

SUBJECT: Fiscal Year 2021-2022 Budget

MOTION: A motion was made by Commissioner Collins and seconded by Commissioner Walker to open the Public Hearing on the Fiscal Year 2021-2022 Budget and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

MOTION: A motion was made by Commissioner Borland and seconded by Mayor Pro-Tem Selby to close the Public Hearing on the Fiscal Year 2021-2022 Budget and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

PUBLIC COMMENTS

Members of the public are invited to address the Board of Commissioners on any topic. Public Comment is not intended to require the Board to answer any impromptu questions or to take any action on items brought up during the public comment period. Speakers will address all the comments to the Board as a whole and not one individual Commissioner. Discussions between speakers and members of the audience will not be allowed. Time limits are 3 minutes per person or 5 minutes per group. Please identify yourself and your location so that your statements can be recorded.

Melissa Bender, 716 N. George Howe Street, she asked the Board follow the multiple recommendations from the Planning Board to deny the Condition Use Permit application for 713/715 N. George Howe Street. She gave reasons why she believes this permit should be denied:

1. This would increase the density. Does the Town want to open the doors to allow others to request the same changes and increase the density? There are several hotels within close proximate that already serve the same purpose and are rarely at full capacity.
2. The plan is to have units with no kitchen available for daily and weekly rentals. There will be no office or anyone on the premises to supervise this small hotel. This project does nothing to help the housing problem in this area. She stated that it will be another expensive short-term rental machine. She is seeing a cluster of Airbnb properties purely for profit and at the expense of the Town of Manteo and the residents of N. George Howe Street.
3. The impact on the property value of each home on N. George Howe Street. Many of the homeowners are working class individuals that struggle to make ends meet on a monthly basis. If this proposal is approved, what will happen to the value of their properties? She

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asked what will be the impact on the up-and-coming community of young families, by having such a high turnover from the weekly and daily rentals?

4. Flooding. This has been an issue since she bought her house two and half years ago. The drainage ditches have been cleaned but it has not resolved the flooding problem. She asked who will be responsible if this project becomes the direct cause of flooding for the homes and businesses in this area.

She closed by thanking the Mayor and Commissioners for listening to her concerns. She stands here frustrated that she has to continue to keep speaking out against this project. She would like to see Manteo grow and flourish in positive ways. This project does not benefit any of us, the Town of Manteo or the residents of N. George Howe. She wondered if this project would be considered if it was on the other side of Highway 64/264. She stated let's all work together to make a Manteo for all.

Phil Spinella, Ron and Phil's Body Shop, 710 Hwy 64, his property is adjacent to the proposed project. He stated that the two lots will have to be combined and that will make the building closer to his property line. They are going to have to fill that lot and bring the building up. He asked where is the water going to go? He stated that they did clean the ditches recently but that water goes North, not South towards the Library like everyone thinks that it does. He stated that the ditch stops behind the Island Motel. He stated that it looks like the pipe goes to Burnside but it doesn't it stops. He doesn't know if the pipe has collapsed or if it is blocked but there is a water problem. He stated that there is no water management and the road divides the Manteo side and the County side. He has been flooded twice and he can not make money when his shop is flooded. He stated that we live on an island and this is a problem.

Jerry Cahill, 720 N. George Howe Street, He stated that he looked at the proposed site plan and it does not show the 10 residential houses directly across the street. He stated that there are hotels nearby and there is no need for this type of development in this area. The traffic is a problem down the street and another problem is the water that surrounds the houses. He was concerned about the transient population and gave an example about how a child ingested some discarded pharmaceuticals found near one of the nearby hotels. He agrees with everything that Melissa Bender said.

Karen Brown, CEO of the Outer Banks Chamber of Commerce, she stated that the Outer Banks is at a crossroads and it is time that we all work together to change ordinances to allow for rental communities to be developed in our area. She stated that she has received calls from many individuals that are losing their rental units and are faced with the option of living in their car, a RV or a hotel for \$3,000 a month if they want to stay here. She stated that she heard of an employee living in a warehouse on a blow-up mattress and nurse living in an RV. A business owner who closed up his business and relocated to Florida because he can't find employees. A single mother who doesn't know where she is going. She stated that people need housing and we can't fault those who are selling their houses in the midst of a real estate boom. We need rental communities and apartments to house our workforce. He need housing for all income levels. She stated that we are losing not only our service and hospitality workers but also our professionals such as nurses, doctors, police officers, firefighters and teachers. There are private developers like SAGA that are willing to take on these projects. She stated that if this project for housing goes through then the people that live there will have to go through background checks, be

employed in Dare County and be paying their bills. She stated that the tax-credits are for the building of the housing and not to subsidize rent. This project will require that this housing stays as rental units for 30 years. People living there will make between \$15,000 to \$55,000 per year. She fears that the local economy will collapse. She stated that they are not only asking Manteo but all of the cities and towns in the county. She stated that Kill Devil Hills just approved an apartment complex with 120 units. She asked the Board to approve the zoning text amendment changes requested by SAGA and for them to consider supporting reasonable housing projects in the future. She asked that if they do not approve the project to find a compromise with the developer.

Duke Geraghty, Government Affairs Director of the Outer Banks Home Builders Association, he stated that this project at the gateway is a good project. He could not understand for the past 30 years why we cannot get more rental housing for year-round people. He stated that we have a good workforce and that people make enough money to afford a rental income but they will not save enough money to own their own house. Paying \$1,500 to \$3,000 a month for a family is out of the realm. He stated that a lot of people have left. He stated that the project does have some things that are wrong and can be tweaked but for now we need to pass the text amendment so we can get this project moving along. He stated that it looks good and we need more apartment complexes in our county.

Warren Martin, 825 Buccaneer Village, Pirates Cove, he is pleased with openness and the professionalism of the Board. He is concerned about the traffic at a certain confectionary in Manteo (Dunkin' Donuts).

OLD BUSINESS

SUBJECT: Conditional Use Permit - 713/715 N. George Howe Street

The public hearing was continued from the last meeting. There was no more testimony. The public hearing was closed.

MOTION: A motion was made by Mayor Pro-Tem Selby and seconded by Commissioner Walker to deny the Conditional Use Permit for a multi-family use at 713/715 North George Howe Street based on the adoption of the findings of fact consistent with the evidence presented by the Town Staff and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

SUBJECT: Zoning Text Amendment Article IX-B-3 Entrance

Ms. Dickerson informed the Board that this zoning text amendment has been sent back to the Board of Commissioners from the Planning Board with a recommendation for denial, which includes the updated changes made by the applicant. She has provided a copy of the public comments that were received by staff on the date of the public hearing on May 5th. These comments have also been posted online and are available to the public. She also had a stack of those printed out on the table for the public in the meeting room.

Mayor Owens suggested a compromise with SAGA that we go to 12 units. He stated that everybody can sit down and work that out and see how it comes out. He stated that it is up to the Board.

The Board did not want to override the Planning Board.

Mr. Gallop stated that the Board can decide to agree or disagree with the Planning Board. He explained that if the Board decides to change the application substantially then he recommends that it will need to go back to the Planning Board. The applicant made substantial changes to the application at the last meeting and it had to go back to the Planning Board.

Mayor Owens suggested that we drop the affordable housing part of SAGA's project. We can continue to work with the County on the Bowsertown project which is all affordable housing. We would come into play as far as the water and sewer are concerned.

Commissioner Borland stated that he is not in support of this but he doesn't want to say no, let do nothing there and stop them from developing their land. There has to be a way to dig deeper. He stated that we have to figure out a way to work together so make something that works for SAGA and for the town.

Commissioner Mann suggested that the Board give SAGA some direction as to what the Board feels the town needs. So, if it is going to be 12 units per acre and not exceeding our 20,000 square foot building capacity or something of that nature. We need some direction in order to proceed instead of saying no. We need to narrow down what our vision is.

Mayor Owens stated that something is going to go on that property regardless. He stated that we have to have affordable housing in Dare County and we need to be a part of it.

MOTION: A motion was made by Commissioner Mann and seconded by Commissioner Walker to re-open the legislative hearing for the zoning text amendment for the B-3 Entrance District and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke.
Motion carried.

Mr. Sumit Gupta, SAGA Construction, he explained that they put this project under contract not intending for this to be apartments. He stated that after talking to the community there was a push for the need of apartments. They developed an apartment community in Kill Devil Hills and they see the need for apartments. They have talked with the Chamber of Commerce and other business and they see the dire need. He stated that there was an approved site plan for Salt Meadow Landing that was a mixed-use development with 34 multi-family units and about 24,000 square feet of commercial retail space. There was also a 100-seat restaurant. He stated that there is nothing about apartments in this zone. There is a provision that for every multi-family affordable unit you develop, you can get one at market rate. He stated that his understanding is that it takes 6 per acre currently to 12 per acres. That is addressed towards sell not renting units. He stated that affordable is a relative term. He stated that they have applied for low-income tax credits. He partnered with Taft-Mills and the credits will allow them to do the apartments for under a \$1,000 per unit. That was the basis for his text amendment. They needed

a certain density to get to 72 units hence the 18 units per acre and they need a commercial lot coverage. They tried to limit the impact so that this amendment would affect this property. He stated that they may not get the tax credits so he made the amendment to still try and make the units affordable. He would love to hear from the Board and would be open to compromise. He stated that if they do the 12 units per acre then they can do sale units. If they do 12 units, they may be able to move forward but the tax credit will be gone and Taft-Mills will not be involved. They would not be traditional affordable apartments. They could do 48 apartments at 12 per acre and he believes apartments are better than other things that can be developed there on the very limited parcels that are left. He wanted the Board to be clear that at 12 he could not make the apartments affordable. His plan is to still build apartments and that the Board could put conditions on. He would appreciate consideration from the Board.

Commissioner Collins stated that the cost for a one-bedroom apartment was over \$1,000 and the cost would raise 4% every year after that, so eventually that would not be affordable.

Mr. Gupta explained that this is the cost without the tax credit because they do not know if they are going to get the tax credit. If they get the tax credit, then everything will be below \$1,000. He stated that this is the cost with no subsidization. He stated that at 12 units per acre it will be market rate apartments not affordable apartments.

Mr. Ayers stated that if the Board would like to come up with a compromise, then it needs to come with clear direction. The Planning and Zoning Board is not a negotiating group and it would not be appropriate for them to do so. He mentioned that the Planning Board are looking at fill on lots and housing. There are a lot of issues that need to be addressed not just the density, the affordability, the 20,000 square foot lot coverage issue, but also the prior approval of Salt Meadow Landing that was done 15 years ago. It was approved in 2006 so that is not necessary a guide for us. These issues need to be considered if we are giving direction back to the Planning Board.

Mayor Pro-Tem Selby wanted to make sure that if this goes back to the Planning Board that we cut through a lot of red tape.

Ms. Dickerson stated that the Planning Board uses the Comprehensive Development Code to guide their decisions. Those plans currently have a 6 unit per acre density applied. The planning board has already started looking at housing. There was a suggestion to have units above commercial properties in the B3 and B2 districts. There should be some direction given to the Planning Board on this topic.

Commissioner Mann asked if it was for sale that they could have six units with six accessory dwellings?

Ms. Dickerson stated that the affordable does give one unit per unit. She stated that the affordable housing ordinance gives a density bonus that allows for lots to be smaller. So, lots can be 6,000 square feet instead of 7,500 square feet but it does not talk about rentals. This is a big change that may affect other properties in town. Everything outside of a single-family home requires a conditional use permit.

Commissioner Walker stated that she is not interested in raising the density or sending this back to the Planning Board until they can talk about this. She wants to address the housing issue. She feels that if they change the density, it's not going to be affordable housing. She stated that she feels that only one person supported the project and the rest of the people that spoke to her were against it. She is not in favor of the project as presented.

Mayor Owens stated that the people he talked to are for affordable housing.

Commissioner Walker stated that she is for affordable housing.

Mayor Owens said that he said we need housing.

Commissioner Walker agreed that we need housing. She doesn't see it going back to the Planning Board.

Mayor Owens stated that if it goes back to the Planning Board it will be struck down.

Commissioner Walker asked that the Board have a sit down because she is not sure what we are trying to address, is it a SAGA project or an affordable housing project? She does not have a problem with SAGA or affordable housing. She can not approve this project without a traffic study because traffic is a nightmare there.

Mayor Pro-Tem Selby stated that there are going to be traffic problems regardless when the College of the Albemarle opens up.

Commissioner Walker stated that it won't be at the intersection.

Mayor Pro-Tem Selby asked Commissioner Walker what specifically does she want the Board to talk about?

Commissioner Walker stated that she wants not just the Board but for all of us to come together. She doesn't feel that the 12-unit compromise is appropriate.

Mayor Pro-Tem Selby asked for clarification as to who is all of us.

Commissioner Walker stated that it is the planning board, SAGA, the County, and the people that actually need housing.

Mayor Owens stated that six people are going to have to make that decision and the Town can't make it for us.

Commissioner Walker stated that right now, she is not prepared to approve it.

Mayor Owens stated that if we sit down with the community, it will be total chaos for and against it.

Commissioner Walker stated that the only person that she talked to that was in favor of this project was Nichol Thrash. She stated that she was elected by the people that voted for her. She stated that if anybody wants to come to her and tell her that they support it then they are welcome but right now she does not have anybody that has personally come to her that supports it.

Mayor Owens stated that some you win, some you lose and some are rained out.

Commissioner Collins stated that it is before the board tonight to approve or disapprove this text amendment and that is what we should do right now.

Commissioner Borland stated that he received an overwhelming amount of phone calls and emails and he apologized for not being able to answer them all. The feedback that he received from the people in town was almost all against it as it is presently presented to us. The stated that you get into some kind of negotiation or some kind of workshop or way to move forward but he doesn't know what that looks like. He referenced what Commissioner Mann said and agreed that we need to have some direction.

Commissioner Mann stated that as it is presented, he is against it. He does think that we need some clear direction. He asked what can they do that looks more in tune to what our beliefs and values are, what should they be allowed to do, how many units per acre, and how much capacity? He stated that we do need affordable housing. We are in a housing crisis. Affordable is different to him than somebody else. He said that he is cheap, so the dollar menu looks good to him. He stated that housing would help and then hopefully we can get to affordable housing somewhere else. We need to look at some kind of direction to send this to whoever. He is okay with the 12 unit per acre. He thinks that they need some direction.

Mr. Gallop let the board know that they have many different options and that the Board can decide to vote it up or down or send it back with directions. He stated that they can have an agenda item for a future meeting to talk about how they want these changes to happen. He explained that the Board is the deciding body of conditional use permits. He explained the process of conditional use permits.

Commissioner Borland stated that we are working on affordable housing projects like the annexed property and looking at partnering with the County on Bowsertown. He stated that we can say no to this and not send it back to the Planning Board. We can move forward to start to steer what this looks like and come up with a plan to possibly partner together with the property owner. That is his suggestion. He stated that traffic comes up and the 20-year plan looked at connecting roadways. He stated that we need to look at that as well.

MOTION: A motion was made by Commissioner Borland and seconded by Commissioner Collins to deny the zoning text amendment for apartments in the B-3 Entrance District. The zoning text amendment is inconsistent with the Town's 2007 Land Use Plan, including its significant expansion of density and related factors. The action taken is reasonable and in the public interest because apartments as proposed in the zoning text amendment application may cause impact to health, safety, and welfare and was approved by the following roll call vote:

Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

Mr. Gupta thanked the Board for their time. He is planning to rewrite the text amendment and to change the density to 12 and to take away the 20,000 square foot lot coverage. He would like to sit down with some of the Board members.

Commissioner Walker stated that she believes that this development would be beautiful and she has nothing against him or his company. She is concerned about the traffic there and if we were looking at a different site she wouldn't have as much heartburn. She doesn't believe that is the right location.

SUBJECT: Resolution 2021-04: Resolution approving the acceptance of Funds Established by the American Rescue Plan Act of 2021 and Designation of Town Official Authorized to Sign Contracts and Bind the Town of Manteo

The State opened its portal for the town to accept the American Rescue Plan Act dollars. They are asking us to submit our documents so we can receive our funds that have been allocated to us. The North Carolina League of Municipalities estimates those payments to be \$215,000 this year and \$215,000 next year. We need to submit these forms in the next few days.

MOTION: A motion was made by Commissioner Mann and seconded by Mayor Pro-Tem Selby to accept of Funds Established by the American Rescue Plan Act of 2021 and Designation of Town Official Authorized to Sign Contracts and Bind the Town of Manteo and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

MAYOR'S/COMMISSIONERS COMMENTS

Mayor Owens - He stated that there are no hard feelings.

Mayor Pro-Tem Selby - She congratulated the Police Department and Patty Callum. She stated that there is a need for affordable housing. She hopes that Mr. Sumit comes back within the guidelines of the policy. She stated that there is a lot of talk about it but no action and it is delayed again. There will be traffic problems either way. She thanked the Mayor and Commissioners because she knows this was a hard decision.

Commissioner Walker - She doesn't think that we lost but we do need to work on this. She doesn't know what the answer is but she hopes Mr. Gupta comes back and that we can reach an agreement to find the best way to address the housing issue. She supports affordable housing and she wants it all to be done within the ordinances and planning documents. We have worked to hard to on our long-term planning to just let it go. In reference to the N. George Howe project, she thanked Phil Spinella and Melissa Bender for coming out. She knows what it is like to have flooding and she doesn't want anyone else to experience it. She agreed with Ms. Bender that this is short-term rentals and that does not help our long-term housing, so that is why she voted like she did. She asked about Phase II of the Town Common Project which includes water fountains and bathrooms.

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Mr. Ayers stated that we have a grant and will be moving forward with Phase II of the Town Commons project.

Commissioner Collins - He thinks that we need to address the issue brought to the Board by John Robbins.

MOTION: A motion was made by Commissioner Collins and seconded by Commissioner Walker to proceed to the Planning and Zoning Board for consideration of an amendment of the Land Use Plan and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Borland, Walker, and Collins. Nays: Commissioner Mann. Absent: Commissioner Burke. **Motion carried 4-1.**

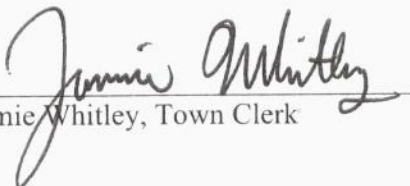
Commissioner Mann - He appreciates Ms. Patty coming out and thanked her for her many years of service. He feels like he has grown up with her and it is nice to see her come out and the town recognize her. He thinks that we need to give the Planning Board direction for apartment long-term rentals not something that is going to turn into short-term rentals. He stated that we need to look at something in the zoning text for long-term rental units and the density as well as the square footage. Things have changed and people are working from home so we need to look at what a full residential unit looks like not just a commercial/residential unit. He does agree that a traffic study need to be done. We need to focus on housing and hopefully at the next meeting we will have a clearer vision of what that looks like.

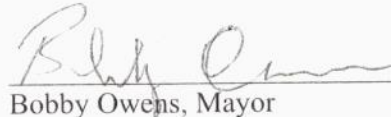
Commissioner Borland - He stated that there is growth and there is planned growth. He stated that the growth is coming and we need to get out in front of it and direct where it is going to go. The character of our town is what is important and we need to protect it. He stated that the Town Common was a great synergy and it was because of everyone's hard work and the people that were involved. He hoped that this can be a blueprint moving forward with other projects.

There being no further business to come before the Board or other persons to be heard a motion was made by Commissioner Walker and seconded by Commissioner Collins and the meeting was adjourned at 6:47 p.m. and was approved by the following roll call vote: Ayes: Mayor Pro-Tem Selby, Commissioners Mann, Borland, Walker, and Collins. Nays: None. Absent: Commissioner Burke. **Motion carried.**

This the 19th day of May 2021.

ATTEST:


Jamie Whitley, Town Clerk


Bobby Owens, Mayor



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Resolution 2021-04

RESOLUTION APPROVING THE ACCEPTANCE OF FUNDS ESTABLISHED BY THE AMERICAN RESCUE PLAN ACT OF 2021 AND DESIGNATION OF TOWN OFFICIAL AUTHORIZED TO SIGN CONTRACTS AND BIND THE TOWN OF MANTEO

WHEREAS, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal Governments; and

WHEREAS, the Town of Manteo anticipates the receipt of funding under the American Rescue Plan Act of 2021; and

WHEREAS, the Town of Manteo desires to accept the funding to be offered under the American Rescue Plan Act of 2021; and

WHEREAS, the Town of Manteo is in need of an official to be designated to accept the above-referenced funding and to bind the jurisdiction as the Contract Signing Authority.

NOW, THEREFORE, BE IT RESOLVED by the Town of Manteo Board of Commissioners:

That the Town of Manteo approves the acceptance of funds established by the American Rescue Plan Act of 2021; and

That the Town of Manteo authorizes James Ayers, Town Manager, and successors so titled, to accept funds established by the American Rescue Plan Act of 2021; and

That James Ayers, Town Manager, and successors so titled, is the Contract Signing Authority and is authorized to bind the Town of Manteo.

Adopted this the 19th day of May 2021.

Bobby Owens, Mayor

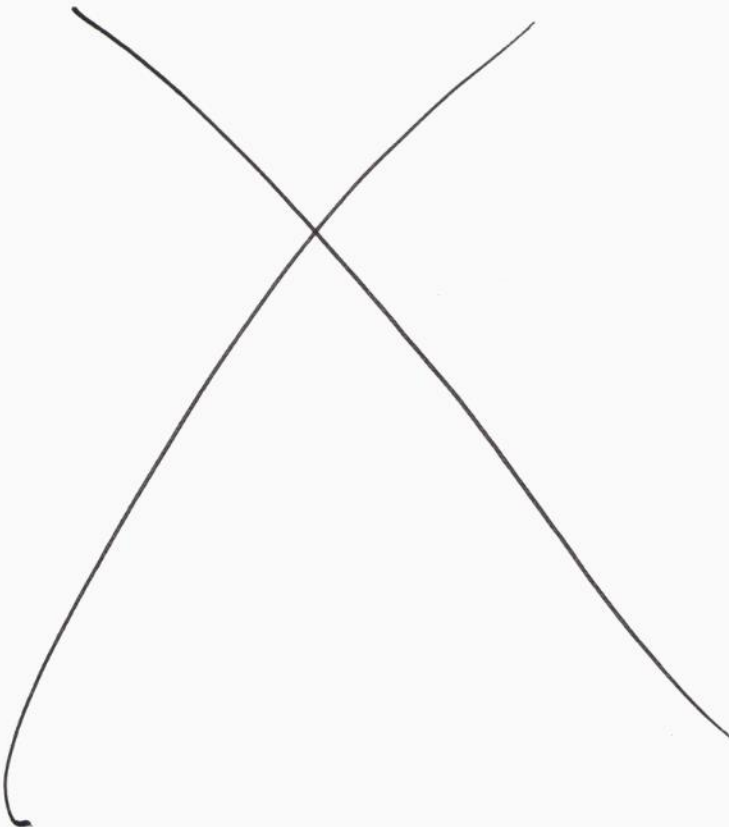
ATTEST:

Jamie Whitley, Town Clerk

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